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As of: February 16, 2009 (3:30pm)

LC2317

**** Bill No. ****

Introduced By *****

EXHIBIT 1
DATE 2/17/09
NR 2

By Request of the House Joint Appropriations Subcommittee on
Natural Resources and Transportation

A Bill for an Act entitled: "An Act transferring funds from the water adjudication state special revenue account to the natural resources operations state special revenue account; requiring a report on the workload and the resources needed for water adjudication activities; amending sections 15-38-301, and 85-2-280, MCA; and providing an effective date."

Be it enacted by the Legislature of the State of Montana:

NEW SECTION. **Section 1. Fund transfer.** There is transferred \$2,064,139 from the water adjudication state special revenue account provided for in 85-2-280 to the natural resources operations state special revenue account established in 15-38-301.

Section 2. Section 15-38-301, MCA, is amended to read:

"15-38-301. Natural resources operations state special revenue account created -- revenue allocated -- appropriations from account. (1) There is a natural resources operations state special revenue account within the state special revenue fund established in 17-2-102.

(2) Except to the extent required to be credited to the

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renewable resource loan debt service fund pursuant to 85-1-603, there must be paid into the natural resources operations state special revenue account:

(a) the interest income of the resource indemnity trust fund as provided in and subject to the conditions of 15-38-202;

(b) the metal mines license tax proceeds as provided in 15-37-117(1) (d);

(c) the oil and natural gas production tax as provided in 15-36-331; and

(d) any fees or charges collected by the department pursuant to 85-1-616 for the servicing of loans, including arrangements for obtaining security interests; and

(e) fund transfers approved by the legislature.

(3) Appropriations may be made from the natural resources operations state special revenue account for administrative expenses, including salaries and expenses for personnel and equipment, office space, and other expenses necessarily incurred in the administration of natural resources operations."

{ Internal References to 15-38-301:

15-36-331x	15-36-331x	15-37-117x	15-38-202x
19-5-404x	75-10-743x	85-1-615x	}

Section 3. Section 85-2-280, MCA, is amended to read:

"85-2-280. (Temporary) Water adjudication account. (1)

There is a water adjudication account within the state special revenue fund created in 17-2-102.

(2) (a) For Except as provided in [section 1], for the period beginning July 1, 2005, and ending June 30, 2015, there is

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LC2317

allocated to the department and the water court up to \$2.6 million, plus the approved inflation factor contained in the revenue estimating resolution, each fiscal year from the water adjudication account for the sole purpose of funding the water adjudication program. These funds may not be used for the purpose of updating or maintaining a computer database.

(b) For the period beginning July 1, 2015, and ending June 30, 2020, there is allocated to the department and the water court up to \$1 million, plus the approved inflation factor contained in the revenue estimating resolution, each fiscal year from the account for the sole purpose of funding the water adjudication program.

(c) The allocations in subsections (2)(a) and (2)(b) are subject to appropriation by the legislature.

(3) Interest and income earnings on the water adjudication account must be deposited in the account.

(4) Money remaining in the water adjudication account on June 30, 2020, must be transferred to the water right appropriation account provided for in 85-2-318.

(5) If the accountability benchmarks contained in 85-2-271 are not met, expenditures from the account in the previous biennium may not be included in the department's base budget, as defined in 17-7-102, for the current biennium. (Terminates June 30, 2020--sec. 18, Ch. 288, L. 2005; sec. 11, Ch. 319, L. 2007.)"

{ Internal References to 85-2-280:
85-2-270*x }

NEW SECTION. **Section 4. Report to legislative finance committee.** The department shall report to the legislative finance committee annually or as requested by the committee on the workload and the resources needed by the department for water adjudication activities.

NEW SECTION. **Section 5. {standard} Codification instruction.** [Section 4] is intended to be codified as an integral part of Title 85, chapter 2, part 2, and the provisions of Title 85, chapter 2, part 2, apply to [section 4].

NEW SECTION. **Section 6. {standard} Effective date.** [This act] is effective July 1, 2009.

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